

ALASKA STATE LEGISLATURE  
CONFERENCE COMMITTEE ON SB 345

May 14, 2002  
8:12 p.m.

**SENATE MEMBERS PRESENT**

Senator Lyda Green  
Senator Gene Therriault  
Senator Bettye Davis

**SENATE MEMBERS ABSENT**

All Members Present

**HOUSE MEMBERS PRESENT**

Representative Jeanette James  
Representative John Harris  
Representative Gretchen Guess

**HOUSE MEMBERS ABSENT**

All Members Present

**COMMITTEE CALENDAR**

SENATE BILL NO. 345

"An Act relating to medical assistance for rehabilitative services for certain children with disabilities; relating to agreements to pay medical assistance for covered services paid for or furnished to eligible children with disabilities by a school district; and providing for an effective date."

MOVED CCS SB 345 OUT OF COMMITTEE

**PREVIOUS ACTION**

Jrn-Date	Jrn-Page	Action
03/04/02	2365	(S) READ THE FIRST TIME - REFERRALS
03/04/02	2366	(S) HES, FIN
03/15/02	Text	(S) HES AT 1:30 PM BUTROVICH 205
03/15/02	Text	(S) Moved Out of Committee
03/15/02	Text	(S) MINUTE(HES)
03/18/02	2449	(S) HES RPT 4DP
03/18/02	2449	(S) DP: GREEN, LEMAN, WILKEN, WARD
03/26/02	Text	(S) FIN AT 9:00 AM SENATE FINANCE 532
03/26/02	Text	(S) Moved Out of Committee
03/26/02	Text	(S) MINUTE(FIN)
03/27/02	2536	(S) FIN RPT 6DP 2NR

CCS SB 345

-1-

May 14, 2002

03/27/02	2536	(S) DP: KELLY, GREEN, AUSTERMAN, WILKEN,
03/27/02	2536	(S) LEMAN, WARD; NR: DONLEY, OLSON
04/10/02	Text	(S) RLS AT 10:30 AM FAHRENKAMP 203
04/10/02	Text	(S) MINUTE(RLS)
04/11/02	2732	(S) RULES TO CALENDAR 4/11/02
04/11/02	2733	(S) READ THE SECOND TIME
04/11/02	2733	(S) ADVANCED TO THIRD READING UNAN CONSENT
04/11/02	2733	(S) READ THE THIRD TIME SB 345
04/11/02	2734	(S) PASSED Y20 N-
04/11/02	2734	(S) EFFECTIVE DATE(S) SAME AS PASSAGE
04/11/02	2734	(S) TAYLOR NOTICE OF RECONSIDERATION
04/12/02	2751	(S) RECONSIDERATION HELD TO 4/15/02
04/15/02	2776	(S) RECONSIDERATION HELD TO 4/16/02
04/16/02	2794	(S) RECONSIDERATION NOT TAKEN UP
04/16/02	2795	(S) TRANSMITTED TO (H)
04/16/02	2795	(S) VERSION: SB 345
04/17/02	2965	(H) READ THE FIRST TIME - REFERRALS
04/17/02	2965	(H) HES, FIN
04/23/02	Text	(H) HES AT 3:00 PM CAPITOL 106
04/23/02	Text	(H) Moved Out of Committee
04/24/02	3110	(H) HES RPT 4DP 3NR
04/24/02	3110	(H) DP: WILSON, CISSNA, JOULE, DYSON;
04/24/02	3110	(H) NR: COGHILL, KOHRING, STEVENS
05/02/02	Text	(H) FIN AT 1:30 PM HOUSE FINANCE 519
05/02/02	Text	(H) Meeting Postponed to 4:00 PM --
05/06/02	Text	(H) FIN AT 1:30 PM HOUSE FINANCE 519
05/06/02	Text	(H) Moved Out of Committee
05/07/02	3420	(H) FIN RPT 2DP 5NR
05/07/02	3420	(H) DP: FOSTER, WILLIAMS; NR: BUNDE,
05/07/02	3420	(H) CROFT, DAVIES, LANCASTER, HUDSON
05/11/02	3532	(H) RULES TO CALENDAR 5/11/02
05/11/02	3532	(H) READ THE SECOND TIME
05/11/02	3532	(H) RLS HCS ADOPTED UNAN CONSENT
05/11/02	3533	(H) AM NO 1 NOT OFFERED
05/11/02	3533	(H) ADVANCED TO THIRD READING UNAN CONSENT
05/11/02	3533	(H) READ THE THIRD TIME HCS SB 345(RLS)
05/11/02	3533	(H) PASSED Y28 N10 E1 A1
05/11/02	3533	(H) EFFECTIVE DATE(S) SAME AS PASSAGE
05/11/02	3535	(H) KOTT NOTICE OF RECONSIDERATION
05/11/02	3535	(H) RECON TAKEN UP SAME DAY UC
05/11/02	3535	(H) PASSED ON RECONSIDERATION Y32 N7 E1
05/11/02	3536	(H) EFFECTIVE DATE(S) SAME AS PASSAGE
05/11/02	3556	(H) TRANSMITTED TO (S) AS AMENDED
05/11/02	3556	(H) VERSION: HCS SB 345(RLS)
05/11/02	Text	(H) RLS AT 9:30 AM BUTROVICH 205
05/11/02	Text	(H) Moved HCSSB 345(RLS) Out of Committee -
05/11/02	Text	(H) MINUTE(RLS)
05/11/02	3515	(H) RLS RPT HCS(RLS) NT 4DP 2NR 1AM
05/11/02	3515	(H) TITLE CHANGE: HCR 35

05/11/02	3515	(H) DP: JOULE, MORGAN, PORTER, KOTT;
05/11/02	3515	(H) NR: MCGUIRE, KOHRING; AM: BERKOWITZ
05/11/02	3516	(H) FN1: (HSS); FN2: (HSS)
05/12/02	3399	(S) FAILED CONCUR (H) AM Y5 N14 A1
05/12/02	3399	(S) TITLE CHANGE: HCR 35
05/12/02	3400	(S) CONFERENCE COMMITTEE APPOINTED
05/12/02	3400	(S) GREEN, THERRIAULT, DAVIS
05/13/02	3613	(H) CONFERENCE COMMITTEE APPOINTED
05/13/02	3613	(H) JAMES, BUNDE, GUESS
05/13/02	3612	(H) FAILED RECEDE (H) AM N35 E1 A4

**WITNESS REGISTER**

Mr. Jerry Burnett  
 Staff to Senator Lyda Green  
 Alaska State Capitol  
 Juneau, AK 99801-1182

**POSITION STATEMENT:** Explained the contents of Version 0 of SB 345

**ACTION NARRATIVE**

**TAPE 02-1, SIDE A**

Number 001  
 #SB 345

**SB 345-EDUC. FUNDING/DISABLED/CORRESPONDENCE**

CHAIRWOMAN LYDA GREEN called the Conference Committee on SB 345 meeting to order at 8:12 p.m. and announced that Version 0 was before the committee.

SENATOR THERRIAULT moved to adopt Version 0 of SB 345 as the working document of the conference committee.

REPRESENTATIVE JAMES objected to adopting Version 0 and said she did not know its exact contents.

MR. JERRY BURNETT, staff to Senator Lyda Green, explained Version 0 as follows.

- Section 1 provides the funding for the Alaska Challenged Youth Academy program in the public school foundation program. That section was taken from HB 312.
- Sections 2, 3, and 4 were the original SB 345, which authorizes school districts to bill Medicaid for rehabilitative services for special education students.
- Sections 5 and 6 contain the effective dates.

REPRESENTATIVE GUESS objected to adopting Version 0.

REPRESENTATIVE HARRIS asked why the other two sections of SB 345 that deal with questionnaires and surveys and statewide school district correspondence study were deleted.

CHAIRWOMAN GREEN explained that the substantive changes in [HB 464] have been incorporated into the proposed regulations by the Department of Education. She noted a sticking point on the Senate side is the provision in the proposed regulations that pertains to the quarterly review. She said that since the discussion about the proposed regulations began, the Legislature and Department of Education have resolved 99.9 percent of the issues.

REPRESENTATIVE JAMES expressed concern that the Department of Education objects to putting some of the proposed regulations in the bill. She said:

I guess my biggest concern is that that's not necessarily the way the [regulations] are going to be and that was one of the reasons why I wanted to put the [regulations] in statute so that they couldn't change them after I went home and I have never gotten any kind of a commitment out of them nor do I think I can get a commitment out of them that that was what they were doing and there's some parts of this that I think are very important to be sure that it stays this way. Even if I were to have that one Section 14.07.050 - if I even had that part I'd be really comfortable and that's taken almost word for word out of the [regulations].

SENATOR THERRIAULT referred to page 3 of HCS SB 345(RLS) and said Senator Wilken was concerned that the time period of the quarterly review was too long. He was concerned that if a child's performance problem was not caught in the first quarter, an entire semester would pass before anything was done.

REPRESENTATIVE JAMES said that each student is supposed to be monitored continually and that grades are checked during the quarterly review, which is what is done in public schools.

SENATOR THERRIAULT asked why she included the words "or appropriately trained personnel."

REPRESENTATIVE JAMES replied so that it could apply to a teacher's aide or anyone appropriately trained to do the monitoring.

SENATOR THERRIAULT asked Representative James if she knew why the department did not include similar language in its regulations.

REPRESENTATIVE JAMES said she did not know. She added she is not nearly as concerned about that issue as she is about the first one.

CHAIRWOMAN GREEN asked if she was referring to the selection of textbooks.

REPRESENTATIVE JAMES said that is correct.

REPRESENTATIVE GUESS expressed concern that two bills that passed the House with over 30 of the 40 members voting in favor were stripped out. She stated:

Also I am concerned, given some of the bills that have been floating around - the deal on [HB] 312 was that the language would get taken out but that money would go into the capital if more money goes into the foundation formula. As I've seen bills, that means more money needs to go into the capital because that funding floor goes up. The hold harmless on that language, which was my understanding what was the deal, we also have to be somewhat aware of that but I think the major objection from the House side is you took two of our bills out that passed by 30 and another two bills that you all don't like but I don't think if we're representing the House that's...

CHAIRWOMAN GREEN said her understanding is that the money for the other part of HB 312 is in the capital budget.

REPRESENTATIVE GUESS said it is but the House is concerned that if any new money goes into the foundation formula, those numbers change. She noted that any time the number of students changes or new money is put into the formula, the funding floor changes so, to be true to the agreement, the capital bill will change as well.

CHAIRWOMAN GREEN said she is not sure that authority would come from this conference committee.

REPRESENTATIVE GUESS said it probably would not but she wanted to make the committee aware of that issue.

CHAIRWOMAN GREEN felt that issue is germane for House and Senate floor discussion.

SENATOR THERRIAULT said he thought that issue is separate and that the committee needs to keep its focus on the two issues members do agree on, that being what is contained in Version 0. He said he is wondering if there is anything regarding the correspondence section that members can agree on.

CHAIRWOMAN GREEN said she has no problem with the language in [AS 14.07].050. She added that language is included in the proposed regulations to be considered by the state board of education in June or July.

REPRESENTATIVE HARRIS said he believes it is important to include [AS 14.07].050 in the bill and offered to make a motion.

REPRESENTATIVE GUESS reminded members that they had not yet adopted Version 0 as she objected to it. She stated that adopting Version 0 will put the House in a bad position because two people from either side will need to vote in favor of adding anything to Version 0. She noted if the conference committee works from HCS SB 345(RLS), two people from either body will have to vote to remove any provisions.

REPRESENTATIVE JAMES said that language is in AS 14.07.050, as well as other places, so it is conforming language, therefore two other sections will be needed.

CHAIRWOMAN GREEN clarified that Representative James was referring to Sections 7 and 8 of HCS SB 345(RLS). A roll call was taken on the adoption of Version 0.

The motion to adopt Version 0 as the working document carried with Senators Green, Therriault and Representatives James and Harris in favor and Senator Davis and Representative Guess opposed.

SENATOR THERRIAULT moved to adopt Amendment 1 to incorporate Sections 5, 7, and 8 from HCS SB 345(RLS) into Version 0.

CHAIRWOMAN GREEN noted that the adoption of Amendment 1 will require a title change.

Members agreed to include in the motion a corresponding title change.

CHAIRWOMAN GREEN noted with no further discussion or objection, Amendment 1 was adopted.

REPRESENTATIVE GUESS said that she would like to vote on Sections 1, 2, 3 and 4 of the original bill. She said she offered to compromise and that she believes that is the best language they have seen. She stated, "It's interesting. This is coming down to a Democrat saying local control and others saying not. This language allows - it says to a district you have to get active consent...." She said she believes that was the most responsible language in the bill and it is disappointing that the conference committee has

adopted a committee substitute without it. She informed members that she will ask House members not to concur with the conference committee substitute. She then moved to incorporate Sections 1, 2, 3 and 4 of HCS SB 345(RLS) into the conference committee substitute [Amendment 2].

REPRESENTATIVE HARRIS said he agrees with Representative Guess that those sections had a lot of support on the House side.

REPRESENTATIVE JAMES said that language is the best survey language she has seen although she still has a bit of trouble with surveys in general.

CHAIRWOMAN GREEN suggested that school districts have a lot of power to get that information when students register. She maintained her objection to including Sections 1, 2, 3 and 4.

REPRESENTATIVE JAMES said the goal of a conference committee is to come up with a product that both the House and Senate can support otherwise the bill will die and that with parts of her bill included, she would be more interested in concurring.

REPRESENTATIVE GUESS said the bill could be sent to another conference committee if it does not pass the House or Senate.

CHAIRWOMAN GREEN said it is her desire to get a bill that both bodies can support. She noted the committee has adopted part of the proposed regulations on correspondence study, language for the Youth Challenge Program and for Medicaid. She asked that members concur on the portions that have been included so far and not adopt any further amendments.

REPRESENTATIVE JAMES asked for an explanation of the bill Chairwoman Green sent over.

CHAIRWOMAN GREEN said many other states have adopted language that provides that a school district can become a Medicaid vendor. She said it is a wonderful program but it will require start up work on behalf of school districts. She then took a roll call vote.

The motion to adopt Amendment 2 failed with Senators Green and Therriault opposed, and Representatives James, Harris and Guess voting in favor.

SENATOR THERRIAULT moved to report the conference committee substitute to SB 345 from committee.

CHAIRWOMAN GREEN announced that without objection, CCS SB 345 (Version 0 as amended) passed from committee.

SENATOR THERRIAULT asked, "Gretchen, I just wanted to touch on the HB 312 issue. You're indicating that if we put more money into the per student dollar then you are desirous of going back into the capital budget and boosting that number up?"

REPRESENTATIVE GUESS replied, "Basically, if you're going to be true to that agreement, and somehow there is money - the agreement that they - put the money in the capital that would have been and do away with the bill but put the money in the capital."

SENATOR THERRIAULT said the Senate made no agreement and that \$6 million is being put into the formula so every district will get more money. However, now the House is saying more money must be put in.

REPRESENTATIVE GUESS said she apologizes if that was indicated and that all she was telling members was what she heard from Representative Williams, the sponsor of HB 312. She said she did not know whether an agreement was made but she was told that if the committee took the language out, an equal amount would be put into the capital budget.

REPRESENTATIVE JAMES affirmed that what Representative Guess was referring to was a leadership agreement on the House side that in order to adjourn, they would let the language go but appropriate the money.

There being no further discussion, CHAIRWOMAN GREEN adjourned the meeting at 8:32 p.m.

#